

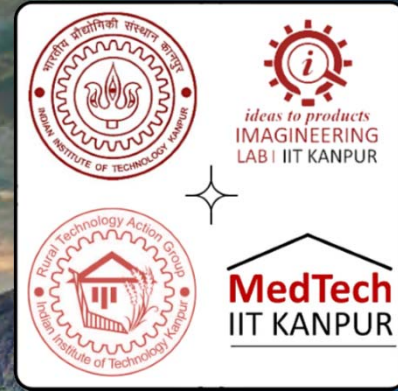
Week-01-L-03

Value Engineering Agricultural Plan

Introduction to Value Engineering (VE)

Types of Value

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Types of Value

Value

Use Value



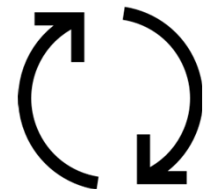
Cost Value



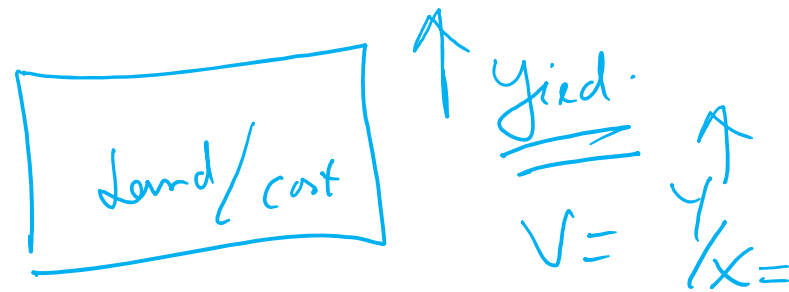
Esteem Value



Exchange Value



Use Value



- Use value of the product, process, service or system is that value for which the thing has been created. Everything is being created to fulfil certain purpose. It should include the need of the customer.
- In agriculture, the use value of a crop variety, for instance, could be its ability to withstand certain pests or diseases, its yield per acre, or its nutritional content.
- If a new variety of wheat, for example, can produce a higher yield in the same conditions as existing varieties, it has a higher use value. Without this use value, farmers would not adopt this new variety. Therefore, the use value of a product is the primary purpose of value engineering.
- Without a use value, products will ultimately fail because they serve no purpose.

Use Value

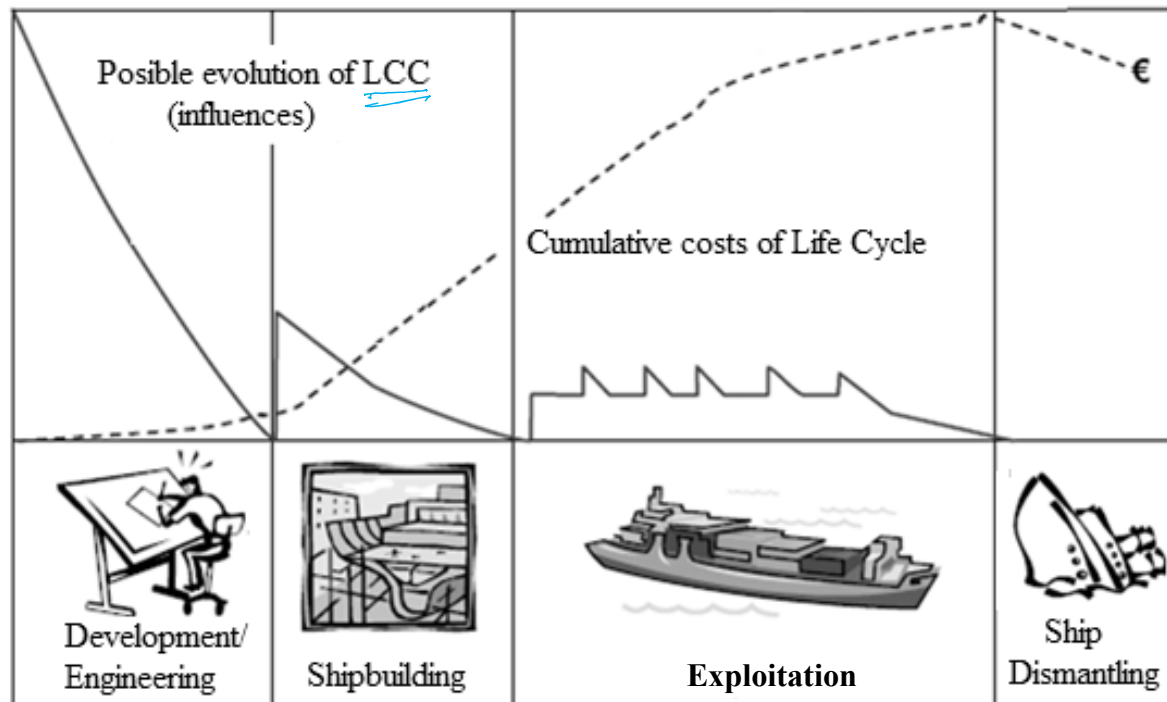
- Use value is the fundamental reason for creating a product, process, service, or system, centered around fulfilling a specific purpose, including customer needs.
- New wheat variety, more , higher use value, attractive to farmers.
- Products lacking use value are likely to fail because they don't fulfill any meaningful purpose.

VALUE ENGINEERING



Cost Value

- Cost value is the cost of the product, process, service or the system.
- It is to be borne in mind that this cost is not only the acquisition cost, but it is the total cost which in the parlance of finance is known as Life cycle cost (LCC) or cradle to grave cost.



Esteem Value → Want → desire

- Esteem value can be defined as that part of the product, process, service or system which will force the person to own them. In today's global economic situation, it becomes the responsibility for the manufacturer or service providers to inculcate these values. Esteem values are the want and desire of the customers.
- Esteem value often extends **beyond** what the product is.
- For example, if a particular brand of organic fertilizer is known for its superior quality and environmentally friendly ingredients, farmers may be willing to pay a higher premium for this fertilizer because of the added esteem benefit of brand recognition.
- However, esteem value can also be negative and correlated to brand dissonance. This is often related to the target consumer of the product. For instance, a farmer who prioritizes cost-effectiveness may perceive a negative esteem value when considering high-cost, premium agricultural equipment or supplies. The farmer might prefer more affordable options that provide similar functionality and benefits. Therefore, understanding the target consumer's perception is crucial in value engineering.

Esteem Value

- It motivates ownership based on customer desires.
- Manufacturers should incorporate esteem values in today's economy.
- Esteem value goes beyond product qualities; branding matters.
- Can arise with brand dissonance based on consumer priorities.
- Understanding it is crucial in value engineering for assessing esteem value's impact.



Exchange Value

- Exchange value is that value in the product, process, service or system which can help to trade with some other things. More the exchange value, more will it be lucrative for the customer.



Thank You

